

Alesco Loses Plea On Wiretap

Sept. 11, 1964
Judge Oliver Gasch of U.S. District Court has refused to order the Justice Department to produce transcripts of telephone conversations in which Washington tax lawyer Francis N. Rosenbaum participated a decade ago.

Rosenbaum is one of four persons scheduled to go to trial here next month in the Alesco defense procurement fraud case. His lawyers said the government might have obtained evidence against him through the old tapes, and sought a chance to scrutinize their contents.

But Judge Gasch found that the conversations were not related to the Alesco case, which began in 1962, and could not have produced information prejudicial to Rosenbaum.

The conversations were monitored between 1956 and 1961, when Rosenbaum represented interests in the Dominican Republic. Attorney Gen. John N. Mitchell told Judge Gasch in an affidavit that the telephone calls were monitored in an effort to "gather foreign intelligence" and had nothing to do with the later case involving Alesco.

Judge Gasch accepted that argument, finding no link between the two. Even if there were a connection, he said, wiretaps used to gather "foreign intelligence" are not necessarily subject to the same constitutional restrictions as those made in domestic cases.

Alesco, Inc., its predecessor firm, Chromecraft, and the four individuals were indicted for making fraudulent statements in support of \$47 million in negotiated contracts with the Defense Department for the production of rocket launchers used in Vietnam. The indictment charged that about \$4 million was illegally diverted into Swiss bank accounts.

The firm has already pleaded guilty. Rosenbaum and the others are scheduled to go on trial Oct. 13.